

## The Impacts of Oil and Natural Gas Production in New Mexico on Santa Fe County

### A Summary of Important Economic and Revenue Issues

#### Santa Fe County Summary

Santa Fe County is not an oil and natural gas producing area. However, oil and natural gas production is important to the County indirectly. This summary details some of these important issues. Complete data are available on the accompanying CD.

1. What products and land types generate the OGAS production in the County?
2. Is there more detail on specific product? Absolutely, but not for Santa Fe County.
3. What does this production mean for state and local direct revenues? No OGAS production in Santa Fe County.
4. The industry also makes bonus payments for the rights to lease federal and state lands for production. These leases are primarily in the producing counties, but exploratory leases are also executed. In previous years, there has been some exploratory drilling and at least one well produced for a short period of time. However, currently the County has significant regulations against drilling. No state or federal leases have been sold recently, however. Bonus payments for leases on federal land are shared with the State General Fund. Bonus payments for leases on state lands become part of the land maintenance fund at the State Land Office, distributed to beneficiaries after deducting the expenses of the SLO.
5. How about Gross Receipts Tax revenue to county and municipal governments for the NAICS codes 211110 - Oil & Gas Extraction, 213111 - Drilling Oil and Gas Wells and 213112 - Support activities for oil and gas operations? Refer to the main document for an explanation of the economic burden concept for Gross Receipts Tax.

Santa Fe County Gross Receipts Tax Activity									
Fiscal Year	NAICS Description	Count	Gross Receipts (\$1,000)	Txbl Gross Rcpts (\$1,000)	Gross Tax (\$1,000)	Derived Total Rate (%)	Approx. State (\$1,000)	Approx. County (\$1,000)	Approx. Muni (\$1,000)
FY2013	Oil & Gas Extraction	*							
FY2013	Drilling Oil and Gas Wells	40	\$224	\$140	\$9.5	6.776%	\$7.3	\$2.5	-\$0.3
FY2013	OGAS Support Activities	4	\$314	\$27	\$2.2	8.167%	\$1.1	\$0.3	\$0.8
FY2013	Total OGAS-related	44	\$538	\$167	\$11.7	7.001%	\$8.4	\$2.8	\$0.5

Note: an asterisk in the "Count" column indicates that some activity was reported under this NAICS code in the County, but the detailed data were redacted for confidentiality. Where no asterisk appears in the column, no activity was reported. The Total row only includes the NAICS activity not redacted. Note also that in the course of 2013, a total of 31 counties had reported activity in at least one of the three NAICS codes. Only DeBaca and Mora Counties reported no gross receipts activity.

6. Put into context, this \$11,700 of GRT derived in Santa Fe County in the three NAICS codes represents a small portion of \$176 million total GRT impact.

Incorp Status	NAICS Description	Count	Gross Receipts (\$1,000)	Txbl Gross Rcpts (\$1,000)	Gross Tax (\$1,000)	state (\$1,000)	County/Muni (\$1,000)	Tribe, Nation, Pueblo (\$1,000)
Municipal	Oil & Gas Extraction	317	\$36,715	\$30,161	\$2,099	\$1,176	\$923	\$0
Municipal	Drilling Oil and Gas Wells	221	\$7,692	\$5,874	\$412	\$229	\$183	\$0
Municipal	OGAS Support Activities	4,467	\$4,295,292	\$1,311,854	\$91,473	\$51,162	\$40,311	\$0
Nation Non-Taxable	OGAS Support Activities	138	\$15,451	\$12,723	\$824	\$0	\$0	\$824
Nation Taxable	Oil & Gas Extraction	14	\$670	\$612	\$35	\$6	\$1	\$28
Nation Taxable	Drilling Oil and Gas Wells	13	\$930	\$938	\$50	\$9	\$0	\$40
Nation Taxable	OGAS Support Activities	134	\$3,465	\$3,478	\$225	\$34	\$12	\$180
Pueblo Non-Taxable	OGAS Support Activities	3	\$282	\$175	\$11	\$0	\$0	\$11
Unclassified	Oil & Gas Extraction	88	\$31,965	\$30,512	\$1,564	\$1,564	\$0	\$0
Unclassified	Drilling Oil and Gas Wells	58	\$10,052	\$8,321	\$426	\$426	\$0	\$0
Unclassified	OGAS Support Activities	1,177	\$1,391,511	\$419,062	\$21,477	\$21,477	\$0	\$0
Unincorporated	Oil & Gas Extraction	345	\$91,303	\$88,450	\$4,959	\$4,533	\$426	\$0
Unincorporated	Drilling Oil and Gas Wells	537	\$361,422	\$358,738	\$20,343	\$18,385	\$1,957	\$0
Unincorporated	OGAS Support Activities	4,065	\$726,410	\$555,864	\$32,260	\$28,488	\$3,772	\$0
All Jurisdictions	Oil & Gas Extraction	764	\$160,652	\$149,735	\$8,657	\$7,279	\$1,350	\$28
All Jurisdictions	Drilling Oil and Gas Wells	829	\$380,096	\$373,871	\$21,231	\$19,050	\$2,141	\$40
All Jurisdictions	OGAS Support Activities	9,984	\$6,432,412	\$2,303,156	\$146,270	\$101,161	\$44,094	\$1,015
		11,577	\$6,973,160	\$2,826,761	\$176,158	\$127,490	\$47,585	\$1,083

7. So, if you include the Gross Receipts Tax indirect economic burden and a substantial portion of the interest accruing to the General Fund from the Land Grant Permanent Fund (96+%) and the Severance Tax Permanent Fund (86%) attributable to oil and gas production in the state, what is the plausible percentage of the total General Fund derived from oil and gas production? Answer -- 31.5%

	FY 2013 General Fund Amount (\$ millions)	Approx. Amount paid by OGAS Industry State General Fund (\$ millions)	Approx. % OGAS
Gross Receipts Tax	\$1,913	\$128	6.7%
Compensating Tax	\$51	\$15	29.2%
Selective Sales Taxes	\$405	>0	0.0%



	FY 2013 General Fund Amount (\$ millions)	Approx. Amount paid by OGAS Industry State General Fund (\$ millions)	Approx. % OGAS
Gross PIT Withholding (CRS)	\$1,071	\$30	2.8%
PIT-Final Stlmts (TAA)	\$419	>0	0.0%
PIT TAA - Oil & Gas Withholding	\$90	\$90	100.0%
Fiduciary	\$7	>0	0.0%
Less: Trsf PIT Suspense	-\$340	>0	0.0%
Less: Trsf Retiree Health Care	-\$22	\$0	0.0%
Net Personal Income	\$1,226	\$120	9.8%
Corporate Income Tax	\$263	\$54	20.5%
Oil & Gas School Tax (see Note: below)	\$385	\$385	100.0%
7% Oil Conservation	\$21	\$20	95.2%
Natural Gas Processors	\$24	\$24	100.0%
Perm. Fund Income *	\$441	\$426	96.6%
Sev Tax Income Fund	\$176	\$152	86.0%
Federal Mineral Leasing *	\$460	\$408	88.7%
Land Office Inc. *	\$45	\$30	68.0%
Recurring General Fund/Total	\$5,590	\$1,761	31.5%

8. Since the oil and gas producing industry supports 31.5% of the State General Fund, this same percentage is the level of support by the OGAS industry is attributable to Public School and Higher Education funding in the County. More detail, for example the funding for Charter Schools in the County, is available on the CD.

General Fund OGAS Allocation Percentage for FY 2013				31.50%	
DISTRICT	2012-2013 Final Funded Program Costs Less Deducts	# Statewide Charters	OGAS Supported	Santa Fe County	
CHARTER SCHOOLS	\$157,188,737	95	\$49,514,452	6	\$4,705,622
Moriarty	\$20,952,264		\$6,599,963	40%	\$2,639,985
Pojoaque	\$12,124,866		\$3,819,333	100%	\$3,819,333
Santa Fe	\$81,762,564		\$25,755,208	100%	\$25,755,208
Statewide Total	\$2,267,376,553		\$714,223,614		\$36,920,148
Note: highlighted cell is total OGAS support of statewide charter schools. Amount in final column is the OGAS support of County Charters.					

<b>FY 2012, Higher Education Support (\$1,000)</b>		<b>30.0%</b>
<b>Institution</b>	<b>Total Higher Education Formula Support</b>	<b>OGAS Supported</b>
SFCC Santa Fe Campus	\$12,166	\$3,650
NMSD Santa Fe	\$3,385	\$1,016
Total Santa Fe County	\$15,551	\$4,665
<b>FY 2013, Higher Education Support (\$1,000)</b>		<b>31.5%</b>
<b>Institution</b>	<b>Total Higher Education Formula Support</b>	<b>OGAS Supported</b>
SFCC Santa Fe Campus	\$12,501	\$3,938
NMSD Santa Fe	\$3,768	\$1,187
Total Santa Fe County	\$16,269	\$5,125

Note: NMSD is a constitutional institution and receives a distribution of income from designated lands.

9. The oil and natural gas production industry also supports the lion's share of state-authorized and funded capital outlay projects whether supported by Severance Tax Bonds or via general fund appropriations. All counties benefit from this funding. In addition to the capital outlay detailed here, the state has also established a Water Trust Fund that receives an annual tranche of 10% of the amount of Severance Tax Bonds. There is also a Tribal Projects Permanent Fund and a Colonias Project Fund that get an annual tranche of a percentage of Severance Tax Bonds. Details on these special funds will be provided in the next edition of this report. For this purpose, Oil and Natural Gas production provide 95% of Severance Tax Bond funding and 31.5% of General Fund appropriations.

<b>Oil and Gas Support of Severance Tax and Other Capital Outlay Bond Programs</b>					
OGAS % of STBs		95%		95%	
OGAS % of General Fund		30%		30%	
	<b>SANTA FE (\$1,000)</b>		<b>GRAND TOTAL (\$1,000)</b>		
<b>2007 CAPITAL OUTLAY PROJECTS</b>	Projects	Amount	Projects	Amount	
Summary for County	266	\$59,813	3,448	\$721,609	
General Fund	222	\$33,828	2,887	\$488,382	
STBs	12	\$10,144	156	\$211,999	
Other	4	\$15,842	7	\$19,178	
Reauthorizations	28	\$0	377	\$0	
Amount Attributable to Oil and Gas (Through STBs and GF)		\$35,179		\$527,563	
<b>2008 CAPITAL OUTLAY PROJECTS</b>	Projects	Amount	Projects	Amount	
Summary for County	123	\$26,901	1,777	\$341,187	
STBs	30	\$17,425	340	\$215,491	
General Fund	92	\$7,976	1,434	\$122,996	
Other Funds	1	\$1,500	3	\$2,700	
Amount Attributable to Oil and Gas (Through STBF and GF)		\$18,946		\$241,615	
Vetoes	6	\$300	187	\$7,033	
<b>2009 CAPITAL OUTLAY PROJECTS</b>	Projects	Amount	Projects	Amount	
Summary for County	16	\$14,709	143	\$139,960	
STBs	16	\$14,709	143	\$139,960	
Amount Attributable to Oil and Gas (Through STBF and GF)		\$13,974		\$132,962	
<b>2009 SS CAPITAL OUTLAY SWAPS AND VOIDS</b>	Projects	Amount	Projects	Amount	
Voids and reversions	19	\$7,660	236	\$185,971	
Voided GF funding swapped for STB funding	19	\$7,510	240	\$144,697	
New Project Added			1	\$1,500	
PSCO Funding Omitted			1	\$31,600	
Net Amount Attrib. to Oil and Gas (Through STBs and GF)		\$4,837		\$81,671	
Vetoes	1	\$150	45	\$12,902	
<b>2010 2ND SS CAPITAL OUTLAY PROJECTS AND REAUTHORIZATIONS</b>	Projects	Amount	Projects	Amount	
Summary for County	2	\$0	49	\$42,150	
STB funding	0	\$0	23	\$41,800	
Other Funding	0	\$0	1	\$350	
Reauthorizations	2		25		
Amount Attributable to Oil and Gas-- STBs		\$0		\$38,760	
<b>2010 SS CAPITAL OUTLAY SWAPS AND VOIDS</b>	Projects	Amount	Projects	Amount	
Voids and reversions	167	\$13,911	2,516	\$177,457	
General Fund	129	\$10,736	2,026	\$123,111	
STB	38	\$3,175	490	\$54,346	
Vetoes	5	\$3,134	74	\$44,783	
Voided GF funding swapped for STB funding	0	\$25	0	\$5,679	
STB	1	\$25	29	\$5,679	
Net Attributable to Oil and Gas Production		-\$6,214		-\$83,167	
Attributable to Oil and Gas Production Voids		-\$6,237		-\$88,562	
Attributable to Oil and Gas Production Swaps		\$24		\$5,395	

Oil and Gas Support of Severance Tax and Other Capital Outlay Bond Programs					
OGAS % of STBs		95%			95%
OGAS % of General Fund		30%			30%
		SANTA FE (\$1,000)		GRAND TOTAL (\$1,000)	
<b>2011 CAPITAL OUTLAY PROJECTS</b>		Projects	Amount	Projects	Amount
Reauthorizations by County		9		123	
No new STBs were authorized					
<b>2012 CAPITAL OUTLAY PROJECTS</b>		Projects	Amount	Projects	Amount
Summary for County					
STBs		50	\$14,822	484	\$137,318
Other Funds		27	\$11,514	280	\$107,514
Reauthorizations		0	\$0	7	\$6,898
Amount Attributable to Oil and Gas Production		0		3	\$0
Vetoes		23	\$10,938		\$102,138
			\$3,308	194	\$22,906
<b>2013 CAPITAL OUTLAY PROJECTS</b>		Projects	Amount	Projects	Amount
Summary for County		67	\$18,391	785	\$269,340
STBs		62	\$9,821	769	\$218,132
Other Funds		5	\$8,570	16	\$51,208
Amount Attributable to Oil and Gas Production			\$9,330		\$207,225
Vetoes		13	\$730	72	\$4,402

10. For questions, comments or criticisms of this work, contact:

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